

8- FEB 1980

MEMORANDUM FOR: Director of Logistics

FROM:

[REDACTED]
Chief, Plans and Programs Staff, OL

SUBJECT: Motor Gasoline Allocation

1. In coordination with you and [REDACTED] the Chief, Procurement Division has notified suppliers and they have accepted the fact that the Agency is qualified to receive 100 percent of base period allocation because we are part of the Defense Materiel System.

2. Concurrent with these endeavors, Pete was working with Department of Energy (DOE) along the lines that we should be classified as a National Security Agency and thus qualify for 100 percent allocation. (We do not know how DOE presently classifies us, if we are considered to be in the "other government agency" category, we could receive less than the base period allocation.)

3. Attached is a letter requesting that OGC contact DOE to formalize our status such that will have a firm foundation to receive the maximum allocation possible. The letter is a fallout from Pete's coordination re paragraph 2 above.

4. Bill has problems with this request. His position is that we have already secured the maximum allocation through his letter certifying that we are part of the Defense Materiel System. Bill feels that the supplier will never challenge the accuracy of his letter. Bill recognizes a risk in that if a real fuel shortage develops, or if there is an investigation of suppliers, our arrangement could be reevaluated and the Agency lose its status.

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5. A managerial decision is necessary. Should P&PS back off and withdraw the request for OGC to formalize our status with DOE. This eliminates the short-range risk of drawing attention to Bill's certification that we are part of the Defense Materiel System but present a long-range risk of being found out in the future. Or, should OGC formalize the arrangement and thereby establish a legitimate base for our allocation, with some risk of ending up classified as a "other government agency" and thereby receive less than 100 percent allocation. Please let P&PS know how you would like to proceed.



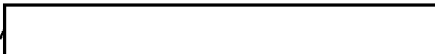
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cc: OGC - 
C/PD

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(7 Feb 80)